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SUBJECT: ARGENTINE GOVERNMENT REPLACES AG SECRETARY

REF: (A) Buenos Aires 1009 (B) Buenos Aires 0991 (C) Buenos Aires 0890 and previous

¶1. (SBU) Summary: The GOA appointed Carlos Cheppi as the new Secretary of Agriculture on July 23. Secretary Cheppi replaces Javier de Urquiza in a widely expected change following the defeat in the Senate of the variable export tax proposal of the government.

The new Agricultural Secretary is a widely respected expert on agricultural issues who is seen as close to Planning Minister Julio De Vido and who collaborated in the development of the agricultural platform of former president Nestor Kirchner during the 2003 presidential campaign. In a sign that relations remain tense between the GOA and the farm sector, the major farm organizations were not invited to the inauguration ceremony. The appointment of Secretary Cheppi is not expected to result in major changes in the direction of agricultural policy by the GOA. End Summary

¶2. (SBU) The replacement of former Agriculture Secretary Javier De Urquiza was widely expected following the extended farm dispute and the defeat in the Senate of the government's variable export tax proposal. De Urquiza was largely invisible during most of the dispute as he was left out of the major decisions on agricultural policy, starting with the implementation of the variable export tax on March 11 through the subsequent negotiations with the farm sector. While De Urquiza was considered close to the Kirchners, most decisions were taken at a higher level (the position of Agricultural Secretary is not a ministerial position in Argentina and is under the Minister of Economy). Secretary of Internal Commerce Moreno intervened heavily in the agricultural sector to hold down domestic food prices, further undercutting his authority.

¶3. (SBU) Carlos Alberto Cheppi was president of the National Institute of Agricultural Technology (INTA) from 2004 to 2008, where he was widely respected for his efforts to strengthen the institution. Cheppi first started working in INTA in 1983 and met former president Nestor Kirchner while working in Santa Cruz province in 1991. Local contacts report that he is a supporter of biotechnology and other new productivity enhancing technologies. He is viewed as close to Planning Minister Julio De Vido and in recent years worked on high profile bilateral agreements to transfer Argentine agricultural technology to Venezuela. He is a strong proponent of government intervention in the market to achieve a more equitable distribution of income. During the congressional debate on the variable export tax, he gave extensive testimony strongly supporting the government measure.

¶4. (SBU) Secretary Cheppi is assuming the position in a very difficult time, with the role of the Secretary of Agriculture very limited in the current government. Important functions such as

control over agricultural exports have been transferred to other organizations, including the National Office of Commercial Control for Agriculture (ONCCA) and the Internal Commerce Secretariat led by controversial Guillermo Moreno. He will also have to rebuild relations with the agriculture sector, which continues to have numerous complaints with government policy despite the repeal of the variable export tax. The farm groups are now pressing for a reduction in current export taxes for medium and small farmers, and they are also pushing for the government to revise restrictions on exports aimed at keeping down the domestic prices of beef, dairy products, corn, wheat and other products.

Bio Note

¶5. (U) Mr. Carlos Cheppi graduated as Agricultural Engineer at the National University of Mar del Plata in 1981. He has a Master Degree on Latin American Economic Development from the International University of Andalucia.

¶6. (U) In 2004, Mr. Cheppi was appointed to his most recent position as president of the National Institute of Agricultural Technology (INTA, in Spanish) after being appointed Vice President in 2003. In January 2000, he was appointed Director of Rural Development for the Province of Buenos Aires. Between 1993 and 1999, he worked in various provincial government positions, and management positions at INTA. He met former president Nestor Kirchner while acting as outside director of the Agricultural Council of Santa Cruz Province from December 1991 to September 1992.

¶7. (U) Cheppi first joined INTA in 1983, focusing on extension services and rural development. He also worked in consulting projects for the Ministry of Foreign Relations and international organizations on extension, technology transfer, and rural

development. In addition, he is author of several publications, and has participated as speaker in various conferences in Argentina and other foreign countries.

Comment

¶7. (SBU) The appointment of Secretary Cheppi brings a respected technical expert into this position, but is not expected to result in major changes in the agricultural policies that led to the dispute with the farm sector. The new Secretary will have to rebuild relations with the farm sector which, even after the repeal of the variable export tax, continues to have numerous grievances with the GOA over many policies affecting the agricultural sector that are not under his direct control. The decision of the government not to invite representatives of the major farm organizations to his inauguration ceremony will not make this task any easier. He has a major challenge in front of him. End Comment

WAYNE